

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA**

In re:

MERCY HOSPITAL, IOWA CITY, IOWA, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 23-00623 (TJC)
)
) (Jointly Administered)
)

**STIPULATED ORDER GRANTING MOTION OF IOWA CITY AMBULATORY
SURGICAL CENTER, LLC FOR ENTRY OF AN ORDER GRANTING RELIEF FROM
THE AUTOMATIC STAY TO ISSUE A NOTICE OF INTENT TO OBTAIN A
PURCHASE PRICE DETERMINATION**

This matters comes before the Court on the *Motion of Iowa City Ambulatory Surgical Center, LLC for Entry of an Order Granting Relief from the Automatic Stay to Issue a Notice of Intent to Obtain a Purchase Price Determination* [Docket No. 799] (the “Motion”) filed on February 1, 2024, by Iowa City Ambulatory Surgical Center, LLC (the “Movant”) requesting the Court grant relief from the automatic stay for the Movant to issue a notice of intent to obtain a Purchase Price Determination²; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Public Administrative Order* referring bankruptcy cases entered by the United States District Court for the Northern District of Iowa; and the matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and venue of this proceeding and the Motion in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court being able to issue a final order consistent with Article III of the United States Constitution; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief

¹ The Debtors include Mercy Hospital, Iowa City, Iowa (Case No. 23-00623), Mercy City, ACO, LLC (Case No. 23-00622), and Mercy Services Iowa City, Inc. (Case No. 23-00624).

² Capitalized terms used but not otherwise defined herein shall bear such definitions assigned in the Motion.

requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties-in-interest; and after due deliberation thereon; and good and sufficient cause appearing therefore; it is hereby:

ORDERED THAT:

1. The Motion is granted as set forth herein and that the automatic stay shall be and is hereby modified only for the purposes of permitting the Movant to i) issue a notice of intent to obtain a Purchase Price Determination to Debtor Mercy Hospital, Iowa City, Iowa and ii) act in accordance with the Operating Agreement to obtain a Purchase Price Determination;

2. The rights and objections of all interested parties are reserved and preserved as to any actions of Movant beyond issuing a notice of intent to obtain a Purchase Price Determination and obtaining a Purchase Price Determination in accordance with the Operating Agreement, including, without limitation, all arguments and rights raised in Debtors' response and limited objection with respect to Movant's Motion [Docket No. 855] filed on March 22, 2024.

3. If Movant seeks to exercise the Option following the completion of the contemplated valuation process or take any other actions to obtain possession of or exercise control over the Mercy Interests, Movant must return to this Court and seek further relief;

4. Movant acknowledges and agrees that all members, and for the avoidance of doubt this includes the Debtors (or their successors) and Johnson County Surgeon Investors, LLC ("JCSI"), shall have a full and fair opportunity to consult with the agreed-to Company Appraiser (as that term is defined in the Operating Agreement) on the process, valuation methodology, information submitted, and any other assumptions underlying any appraisal reports solicited pursuant to the Operating Agreement. The Company Appraiser shall be jointly retained by the Company, JCSI and the Debtors (or their successors), with the costs to be borne by the

Company. Initial consultations shall occur after the mutual selection of the Company Appraiser and prior to the Company Appraiser undertaking its work and such consultation rights shall continue until the Company Appraiser produces a final report and/or valuation.

5. Except as otherwise provided in this Order, the Parties further agree to abide by and adhere to the procedures in paragraph 3.2 of the Operating Agreement until a Purchase Price Determination (as that term is defined in the Operating Agreement) is generated.

6. The hearing on April 5, 2024 set on this matter is hereby canceled;

7. The ten-day stay of this order is waived; and

8. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated and entered this 5th day of April 2024.



Honorable Thad J. Collins, Chief Judge

CONSENTED TO BY:

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